

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5070
COMPANY NAME : PROTASCO BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is led by a Board comprising members with a wide range of business, technical, legal and public service experience. This depth and diversity in expertise and perspectives of each director bring vital ingredients necessary for the Company's strategic direction and guidance in the management of the various business activities undertaken by the Protasco Group of Companies.</p> <p>The Board of Directors (Board) plays an important role in setting our Group's overall strategic direction, objectives and goals, including its key values, principles and ethics.</p> <p>The roles and responsibilities of the Board are set out in the Board Charter. The Board has a well-defined framework on the various categories of matters that requires Board's approval and endorsement.</p> <p>A summary of the Board's activities in the year is set out below:</p> <ul style="list-style-type: none">• Reviewing and approving the Group's budget and business plan;• Reviewing and approving of the Group's quarterly results;• Reviewing and approving the annual audited financial statements and the Annual Report for financial year 2021;• Review and approve recommendations made by Board Committees;• Review the internal control and risk management; and• Review current projects and new ventures. <p>The Board is supported by the Executive Directors and management, whose responsibilities are to implement the Group's strategies and manage operations of the Group within the approved Discretionary Authority Limits.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	Key responsibilities: <ul style="list-style-type: none"> • Ensure the integrity and effectiveness of the governance processes of the Board; • Ensuring adequate information to facilitate decision making is delivered to the Board on timely manner; and • Facilitate all Board meetings and general meetings and ensure the appropriate level of interaction among members. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none"> Chairman of the Board: Dato' Sri Ir. Chong Ket Pen <p>The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's Governance process and acts as a facilitator at Board and General Meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board Member dominates discussion.</p> <ul style="list-style-type: none"> Group Managing Director: Dato' Ir. Chong Ther Nen <p>The Group Managing Director is responsible to develop and recommend to the Board the Group's annual business plan and budget, implement the Group's strategies, policies and decisions adopted by the Board, and manage day-to-day business affairs of the Company and Group.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the board is not a member of the Audit Committee and Nomination and Remuneration Committee. He did not participate in any of these committees' meetings.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>Both company secretaries are qualified to act as company secretary under Section 235 of the Companies Act 2016. They are both Associates members of the Malaysia Institute of Chartered Secretaries and Administrators (“MAICSA”).</p> <p>Responsibilities:</p> <ul style="list-style-type: none"> a) Advise and update the Board on statutory and regulatory requirements relating to the discharge of the directors’ duties; b) Monitor the developments in corporate governance and facilitate the Board’s application of the best practices of Malaysian Code on Corporate Governance (“MCCG”); c) Manage and coordinate all Board, Committees and general meetings and facilitate Board communications; d) Attend all Board meetings and ensure that the deliberations and decisions made by the Board and Board Committees are accurately minuted and the records of the proceedings of the meetings are properly kept; e) Advise and facilitate the conduct of annual Board Performance Evaluation.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has full and timely access to information with Board papers distributed in advance of meetings, normally five days prior to the meeting, to enable the Directors to prepare for Board meetings.</p> <p>The Board papers include minutes of previous Board meeting, minutes of meetings of Board Committees and reports on relevant issues of the meetings covering areas such as financial, investment, operational, litigation, human resources and regulatory compliance matters.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board adopted a Board Charter which serves as a reference for the Directors.</p> <p>The Board Charter sets out the roles, functions, composition, operations and processes of the Board which is intended to ensure that all the Board members are fully aware of their obligation in discharging their duties and responsibilities.</p> <p>The Board Charter is available for reference at the company's website www.protasco.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>A Director's Code of Conducts is set out as the rules and values for the Directors in conducting their duties and responsibilities to the highest ethical standards.</p> <p>The Director's Code of Conduct is available for reference at the company's website www.protasco.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board encourages employees and associates to report suspected and/or known misconduct, wrongdoing, corruption and instances of fraud, waste and/or abuse involving the resources of the Group.</p> <p>A whistleblowing policy is established to enable employees and associates to raise their concerns without fear.</p> <p>The Whistleblowing Policy is available for reference at the company's website www.protasco.com.my.</p> <p>The following channels should be used by employees and associates to raise their concerns:</p> <ul style="list-style-type: none"> • Via email : whistleblow@protasco.com.my • In writing to : Chairman of the Audit Committee, Protasco Berhad, 2nd Floor, Corporate Block, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor. Tel: 03 8738 3388
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The function of Board Risk Management Committee (“BRMC”) of the Company has been expanded to incorporate the function of sustainability governance in order to adopt sustainability practices and principles.</p> <p>The Sustainability Steering Committee (“SSC”), which is chaired by the Group Managing Director of the Company, will report to BRMC. SSC is assisted by the Steering Working Committee (SWC), headed by the Head of Strategic Planning & Sustainability, for proper project management and corporate assurance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Senior Management are well aware of the importance for the internal and external stakeholders to be kept informed of the Company's sustainability strategies, priorities, targets and overall performance. Towards this end, the Company has communicated its sustainability targets to the internal stakeholders as well as performance against these targets through various engagements carried out by the Sustainability Working Committee.</p> <p>The Company publishes the Sustainability Report in its Annual Report and also upload it on the website. External stakeholders can have access to these channels and obtain relevant information including but not limited to sustainability governance, stakeholder identification & engagement, materiality matters, sustaining economic value, cultivating social relationships, as well as the Company's efforts in enhancing its sustainability contributions.</p> <p>The Sustainability Report is prepared in accordance with the guidance outlined in the Sustainability Guide and accompanying Toolkits by Bursa Malaysia Securities Berhad.</p> <p>To further improve the sustainability efforts, a revision to the sustainability policy was completed in the current financial year. With this 2nd version, the initiatives and plans to expand the practices to external stakeholders are in the pipeline and will take place from 2022 onwards.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is cognizant that its directors are expected to stay abreast and have good understanding to engage in rigorous discourse with Senior Management in addressing sustainability-related risks and opportunities. However, directors are not expected to be sustainability-focused experts but adequate sustainability competence is crucial to address material sustainability risks and provide guidance on sustainability-related matters.</p> <p>To this end, the Board members keep themselves apprised with contemporaneous and relevant sustainability developments by way of formal training including webinars, presentation of updates, structured reading and discussions.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The annual performance evaluation of the Board and Senior Management is performed using assessment forms and Performance Development System respectively.</p> <p>The criteria for Board assessment include, amongst others, value add contribution, accountability, stakeholders' relationships, board processes, and management development.</p> <p>The criteria for assessment of Senior Management include strategic planning, digital transformation, leadership, financial results, management of operations, management development and succession planning, human resources, stakeholders' communication, and investor relations.</p> <p>The Senior Management intends to devise the relevant evaluation and assessment tools to evaluate the performance of the Board and Senior Management in respect of sustainability risks and opportunities taking into consideration the sustainability guidelines and toolkits of Bursa.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	Madam Selvi Salome has been appointed as the Head of Strategic Planning and Sustainability in the Group Corporate Office who is responsible to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application :	Applied
Explanation on application of the practice :	<p>The Nomination & Remuneration Committee (NRC) reviews the composition of the Board and Board Committees annually to ascertain whether the diversity in terms of skills, experience, tenure, gender and age represented on the Board meets the requirements of the Company.</p> <p>The NRC undertakes performance evaluation annually which comprises Board assessment, self-assessment and assessment on Board Committees.</p> <p>The NRC is responsible for recommending to the Board, Directors who are standing for re-election at the Annual General Meeting, subject to the NRC being satisfied with the performance of the affected Directors based on the latest Board performance evaluation.</p> <p>Based on the outcome of evaluation for the financial year under review, NRC is satisfied that the Board and Board Committees have discharged their duties and responsibilities satisfactorily.</p> <p>NRC opined that the members of the Board are well equipped with the relevant skills, knowledge, expertise and experience to discharge their functions as expected from each of them. The current composition of the Board Committees and the Board are well balanced and able to discharge their responsibilities as required.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	

Timeframe	:		
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	At present, there are seven members of the Board comprising four Independent Non-Executive Directors and three Executive Directors.	
		Designation	No. of Directors Percentage (%)
		Executive Directors	3 43
		Independent Non-Executive Directors	4 57
Total	7 100		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	During the period under review, none of the four Independent Directors have served the Company for more than a cumulative term of nine years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	A Director candidate is to be evaluated by the Nomination & Remuneration Committee (NRC) based on the following basic criteria: <ul style="list-style-type: none">• Complement the current Board composition;• Have the required skills, knowledge and expertise to add value to the Board;• Able to commit the necessary time to their position; and• Maximum number of directorship in other public companies should not exceed 5.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRC considers candidates for directorship identified from various sources such as personnel recommended by senior management staff, independent adviser or third party referrals.</p> <p>All candidates are to be evaluated by the Committee based on the basic criteria set before the Committee recommends the candidates to the Board of Directors for its consideration.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>Upon satisfactory assessment by the Nomination & Remuneration Committee (NRC) based on the annual performance evaluation, the NRC recommended to the Board of Directors the candidates for re-appointment as directors of the Company.</p> <p>The Board at its meeting considered and endorsed the recommendations of the NRC for the re-election of directors subject to approval of the shareholders at Annual General Meeting.</p> <p>The details of their interest, position or any relationship are disclosed in various parts of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	<p>The company has established a Board Committee combining the functions of Nomination Committee and Remuneration Committee which is known as Nomination and Remuneration Committee (NRC).</p> <p>The Chairman of the NRC is Dato' Tan Yee Boon, an Independent Non-Executive Director.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The board currently has 2 female directors out of 7 directors, which comprises nearly 30% of the board members	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The board recognises the importance of diversity in terms of broad range of skills and competencies, experience, background and gender to ensure balanced and effective decision-making.</p> <p>The board has published the Gender Diversity Policy in the company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Nomination & Remuneration Committee (NRC) undertakes performance evaluation annually which comprises Board assessment, self-assessment and assessment on Board Committees. The Chairman of the NRC will be presented with the analysis of the overall performance evaluation and deliberated at the NRC meeting. The NRC will access and identify areas which require improvement and recommend to the Board for action.</p> <p>Based on the outcome of evaluation for the financial year under review, NRC is satisfied that the Board and Board Committees have discharged their duties and responsibilities satisfactorily.</p> <p>NRC opined that the members of the Board are well equipped with the relevant skills, knowledge, expertise and experience to discharge their functions as expected from each of them. The current composition of the Board Committees and the Board are well balanced and able to discharge their responsibilities as required.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration of the Executive Directors shall be reviewed and proposed by the Nomination and Remuneration Committee (NRC) for Board's approval.</p> <p>NRC shall take into consideration:</p> <ul style="list-style-type: none"> • Responsibilities of the Executive Directors; • Scope of works; • Remuneration paid by other companies in a comparable sector; and • Other relevant factors. <p>Executive Directors shall also be entitled to other benefits such as company car, medical expenses and insurance coverage.</p> <p>Remuneration for Non-Executive Directors shall be proposed by NRC and reviewed by the Board which comprises the following:</p> <ul style="list-style-type: none"> • The fees and benefits are to be determined and recommended by the Board and to be approved by the shareholders. • Entitled to other benefits provided to employees of the company such as receiving discount for purchasing of property or product developed or sold by the Group.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Nomination & Remuneration Committee comprises three Independent Directors. The Committee is chaired by Dato' Tan Yee Boon. The Nomination and Remuneration Committee's Terms of Reference is available for reference at the Company's website www.protasco.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Ir. Chong Ket Pen	Executive Director	-	-	1,406,400.00	-	35,200.00	-	1,441,600.00	-	30,000.00	-	-	-	-	30,000.00
2	Dato' Chong Ther Nen	Executive Director	-	60,000.00	489,000.00	-	7,200.00	-	556,200.00	-	66,000.00	-	-	-	-	66,000.00
3	Dato' Sri Su-Azian @ Muzaffar Syah Abd Rahman	Executive Director	-	-	-	-	-	-	-	-	82,000.00	480,000.00	160,000.00	17,025.00	-	739,025.00
4	Dato' Tan Yee Boon	Independent Director	51,000.00	7,000.00	-	-	-	-	58,000.00	-	-	-	-	-	-	-
5	Suhaimi Bin Badrul Jamil	Independent Director	51,000.00	5,500.00	-	-	-	-	56,500.00	-	-	-	-	-	-	-
6	Tham Wei Mei	Independent Director	51,000.00	3,500.00	-	-	-	-	54,500.00	-	-	-	-	-	-	-
7	Celine Chan Hooi Li	Independent Director	51,000.00	5,500.00	-	-	-	-	56,500.00	-	-	-	-	-	-	-
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

						here		here		here					here	
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company opts not to disclose the Senior Management's remuneration components (salary, bonus, benefits-in-kind and other emoluments) as it is not in the best interest of the Company in terms of confidentiality and talent retention.	
		The top 5 senior management's remuneration in bands of RM50,000 has been disclosed in the Annual Report.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none"> • Chairman of the Board: Dato' Sri Ir. Chong Ket Pen • Chairman of Audit Committee: Suhaimi Bin Badrul Jamil 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee has policies and procedures to assess the suitability and independence of the external auditors.</p> <p>In its assessment, the Audit Committee considered several factors such as:</p> <ul style="list-style-type: none"> • Staff’s experience and competency; • Resources of the firm and ability to meet deadlines; • Availability of key personnel to attend crucial Audit Committee Meetings; • Independence of Crowe Malaysia PLT; and • The level of non-audit services rendered by Crowe Malaysia PLT.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The Audit Committee comprises the following members, who are all Independent Non-Executive Directors:</p> <table border="1"><thead><tr><th>Members</th><th>Directorship</th><th>Roles</th></tr></thead><tbody><tr><td>Suhaimi bin Badrul Jamil</td><td>Independent Non-Executive Director</td><td>Chairman</td></tr><tr><td>Dato' Tan Yee Boon</td><td>Independent Non-Executive Director</td><td>Member</td></tr><tr><td>Celine Chan Hooi Li</td><td>Independent Non-Executive Director</td><td>Member</td></tr></tbody></table>	Members	Directorship	Roles	Suhaimi bin Badrul Jamil	Independent Non-Executive Director	Chairman	Dato' Tan Yee Boon	Independent Non-Executive Director	Member	Celine Chan Hooi Li	Independent Non-Executive Director	Member
Members	Directorship	Roles												
Suhaimi bin Badrul Jamil	Independent Non-Executive Director	Chairman												
Dato' Tan Yee Boon	Independent Non-Executive Director	Member												
Celine Chan Hooi Li	Independent Non-Executive Director	Member												

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied								
Explanation on application of the practice	:	<p>The members of the Audit Committee have the necessary experience, knowledge and skills to discharge its duty.</p> <p>Audit Committee members have attended trainings as shown below:</p> <table border="1"> <thead> <tr> <th>Members</th> <th>Training</th> </tr> </thead> <tbody> <tr> <td>Suhaimi Bin Badrul Jamil</td> <td> 30 June 2021 - 1 July 2021 Performance Management System and Key Performance Indicators Training Course – Malaysian Integrity Academy July 2021 - October 2021 Mergers and Acquisitions, Imperial College Business School </td> </tr> <tr> <td>Dato' Tan Yee Boon</td> <td> 10 March 2021 Corporate Liability Provision, KPMG 10 May 2021 Corporate Governance and Corporate Liabilities, Epsilon Advisory Services Sdn Bhd </td> </tr> <tr> <td>Celine Chan Hooi Li</td> <td> 8 December 2021 Fraud Risk Management Workshop 2021, PwC Consulting Services (M) Sdn Bhd </td> </tr> </tbody> </table>	Members	Training	Suhaimi Bin Badrul Jamil	30 June 2021 - 1 July 2021 Performance Management System and Key Performance Indicators Training Course – Malaysian Integrity Academy July 2021 - October 2021 Mergers and Acquisitions, Imperial College Business School	Dato' Tan Yee Boon	10 March 2021 Corporate Liability Provision, KPMG 10 May 2021 Corporate Governance and Corporate Liabilities, Epsilon Advisory Services Sdn Bhd	Celine Chan Hooi Li	8 December 2021 Fraud Risk Management Workshop 2021, PwC Consulting Services (M) Sdn Bhd
Members	Training									
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Dato' Tan Yee Boon	10 March 2021 Corporate Liability Provision, KPMG 10 May 2021 Corporate Governance and Corporate Liabilities, Epsilon Advisory Services Sdn Bhd									
Celine Chan Hooi Li	8 December 2021 Fraud Risk Management Workshop 2021, PwC Consulting Services (M) Sdn Bhd									
Explanation for departure	:	<p>Please provide an explanation for the departure.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>								
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>										

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") is committed to maintain a sound system of risk management and internal control of the Group to safeguard shareholders' investment and the Group's assets. The system of internal control is designed to manage rather than eliminating the risk of failure to achieve the Group's business and corporate objectives.</p> <p>The Board has established an Enterprise Risk Management ("ERM") framework to provide guidelines on the effective management of risks through the application of ERM processes at varying levels and within the Group. The framework outlines are as follows:</p> <ul style="list-style-type: none">▪ Policy and governance structure for the ERM within the Group;▪ Risk management roles and responsibilities within the Group and outlining procedures to mitigate risks;▪ Methodology for risk assessment and risk response; and▪ Reporting framework to ensure clear communication for all risk management activities and reporting. <p>The Group also has undertaken the integrity and compliance activities in adoption to the risk management & compliance matters to show our commitment as being ethical and a professional organisation, anchored on ethics, integrity and accountability.</p> <p>The Risk Management Committee conducts regular reviews and evaluates the effectiveness of the internal control and risk management systems in the Group for deliberation and tabled to the Board Risk Management Committee (BRMC) on a bi-annually basis.</p> <p>The Board is provided with reasonable assurance from the BRMC on adequacy and effectiveness of the Group's risk management and internal control systems. Details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report 2021.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board continually reviews the adequacy and integrity of the Group's risk management and internal control system in accordance with the Group Enterprise Risk Management Framework approved by the Board. Apart from the outline of the framework as mentioned in Practice 10.1, the Group's ERM components will ensure the adequacy and effectiveness of the framework is achieved. These components are internal environment, objective setting, event identification, risk assessment, risk response, control activities, information & communication, and monitoring.</p> <p>The process of identifying, evaluating, monitoring and managing risks which affects the Group's business objectives is regularly reviewed by the Board, taking into account changes in the regulatory and business environment as mentioned in the Guidelines.</p> <p>The Risk Management Committee ("RMC") chaired by the Chief Financial Officer is responsible for assisting the Board in implementing and monitoring the procedures and processes which identify, assess and monitor business risks and internal controls as well as to take responsive corrective action as and when needed.</p> <p>The Board has received assurance from the Group Managing Director and Chief Financial Officer on the adequacy and effectiveness of the system of internal control, highlighting any weaknesses and changes in the risk profile.</p> <p>Further details are contained in the Statement of Risk Management and Internal Control which is in the Company's Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The Board has established a Board Risk Management Committee comprises of the following:</p> <table border="1"><thead><tr><th>Members</th><th>Directorship</th><th>Roles</th></tr></thead><tbody><tr><td>Celine Chan Hooi Li</td><td>Independent Non-Executive Director</td><td>Chairman</td></tr><tr><td>Dato' Tan Yee Boon</td><td>Independent Non-Executive Director</td><td>Member</td></tr><tr><td>Dato' Chong Ther Nen</td><td>Executive Director</td><td>Member</td></tr></tbody></table>	Members	Directorship	Roles	Celine Chan Hooi Li	Independent Non-Executive Director	Chairman	Dato' Tan Yee Boon	Independent Non-Executive Director	Member	Dato' Chong Ther Nen	Executive Director	Member
Members	Directorship	Roles												
Celine Chan Hooi Li	Independent Non-Executive Director	Chairman												
Dato' Tan Yee Boon	Independent Non-Executive Director	Member												
Dato' Chong Ther Nen	Executive Director	Member												

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in-house Corporate Assurance Department (“CAD”) (previously known as Internal Audit Department) to perform internal audit functions.</p> <p>Governed by the Internal Audit Charter, CAD maintained its independence, impartiality, and proficiency and due professional care when conducting their assignments.</p> <p>The annual audit plan is approved by the Audit Committee. The progress of audit assignments and high priority audit findings are reported quarterly to the Audit Committee.</p> <p>CAD personnel are kept abreast of development in the profession and industry from periodic internal and external trainings to equip them with the relevant skills according to meet the minimum level of competency.</p> <p>Further details of the internal audit activities are set out in the Audit Committee Report and Statement on Risk Management and Internal Control in the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>None of the Corporate Assurance personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.</p> <p>The Corporate Assurance Department (“CAD”) comprises of a Manager, two Assistant Managers and three audit executives. All six members have bachelor degrees. CAD members have the relevant internal audit and quality assurance audit experience ranged from 1 year to more than 10 years.</p> <p>The Head of CAD, Norirman Nordin has more than 10 years of experience in internal auditing. He is an associate member of Institute of Internal Auditors Malaysia (IIAM).</p> <p>The internal audit function is carried out based on the International Professional Practices Framework (“IPPF”) set by Institute of Internal Audit Malaysia (“IIAM”).</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board values its dialogue with the investment community including the institutional shareholders, private investors and other stakeholder to enhance their understanding of the Group.</p> <p>The Company has an Investor Relation Department who engages regularly with shareholders and other stakeholders.</p> <p>Our Board also engages shareholders at our AGM and EGM. The events allow shareholders to raise questions directly to our Board and management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application :	Not applicable – Not a Large Company	
Explanation on application of the practice :		
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The notices of AGM are sent out to shareholders at least 28 days before the date of the meeting, exceeding the 21 days requirement under the Companies Act 2016 and Listing Requirements.</p> <p>The details of the shareholder’s rights are available at www.protasco.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's 20th AGM was conducted fully virtual via remote participation and voting. All the Directors were present at the meeting via live streaming to respond to questions raised by shareholders.</p> <p>During the AGM, the Chairman invited shareholders to participate and raise questions on the proposals tabled during the virtual meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied	
Explanation on application of the practice	:	The Company had leveraged on technology to conduct a virtual 20 th AGM on 29 June 2021 to facilitate remote and greater shareholders’ participation and online remote voting in accordance with the Companies Act 2016 and Constitution of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	Shareholders were invited to submit their questions prior to the conduct of the meeting via the RPV and to post questions during the meeting for immediate interaction with the Board of Directors and senior management.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	The 20 th Annual General Meeting was held on a virtual basis through live streaming and online remote voting. The Executive Chairman and the Group Managing Director responded to the questions raised.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 20 th Annual General Meeting was made available on the Company's website at www.protasco.com.my
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA
MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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